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May 3, 2002

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

HAND-DELIVERED

Marlene H. Dortch, Secretary
Federal Communications Commission
445 Twelfth Street, S.W., Room TW-A325
Washington, DC 20554

Re: *Notice of Oral Ex Parte Presentation*
WTDocket No. 01-316, AT&T Corp v. Sprint PCS
CC Docket No. 01-92. Unified Intercarrier Compensation Regime

Dear Ms. Dortch:

Pursuant to Section 1.1206(b)(1) of the Commission's rules, the undersigned, on behalf of Verizon Wireless ("Verizon"), hereby notifies the Commission of an oral presentation regarding the above-captioned matters. Specifically, on Thursday, May 2, 2002, John T. Scott, III (Vice President and Deputy General Counsel – Regulatory Law, Verizon Wireless), Charon J. Harris (Regulatory Counsel, Verizon Wireless), Kathryn A. Zachem (Wilkinson Barker Knauer, LLP) and the undersigned met with Matthew Brill (Common Carrier Legal Advisor) and Bryan Tramont (Senior Legal Advisor) of Commissioner Abernathy's office to discuss issues addressed in the attached document.

WILKINSON (BARKER) KNAUER LLP

Marlene H. Dortch

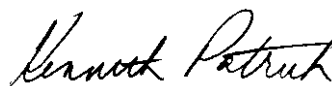
May 3, 2002

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Should you have any questions regarding this matter, please contact the undersigned.

Sincerely,

WILKINSON BARKER KNAUER, LLP

A handwritten signature in black ink, appearing to read "Kenneth D. Patrich". The signature is written in a cursive, flowing style.

By: Kenneth D. Patrich

Attachment

cc: Matthew Brill (w/o attachment) (Via Hand delivery)
Bryan Tramont (w/o attachment) (Via Hand delivery)
John T. Scott, III (w/o attachment) (Via Facsimile)
Charon J. Hams (w/o attachment) (Via Facsimile)
Kathryn A. Zachem (w/o attachment) (Via Hand delivery)

Inter-carrier Compensation

May 2, 2002

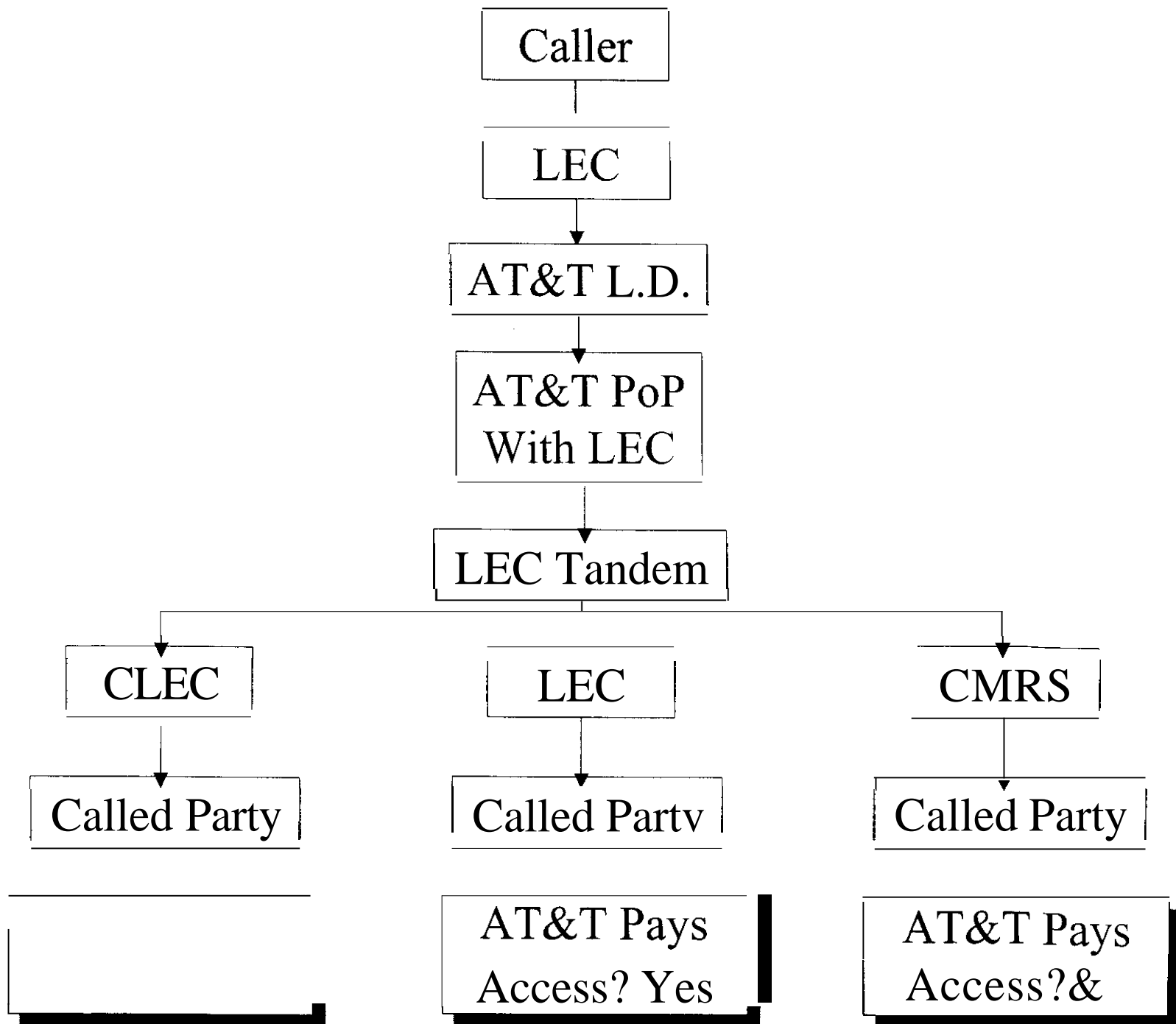


Inter-carrier Compensation

- Comprehensive regulatory regime needed for LEC-IXC-CMRS inter-carrier compensation
- Two dockets currently before the Commission:
 - WT Docket No. 01-316, Sprint PCS v. AT&T
 - CC Docket No. 01-92, Inter-carrier Compensation

Access Charges

- Competitive and technical neutrality require the Commission to permit CMRS providers to continue to charge for access.
- How:
 - No tariffs
 - IXCs have duty to accept reasonable request for service under Section 201(a)
 - “Zone” of reasonable rates or contracts



Inter-carrier Compensation

- The Commission should move to bill-and-keep for LEC-CMRS interconnection
- Section 332 provides plenary authority for uniform, national regulatory framework
- Benefits of bill-and-keep include:
 - economic efficiency
 - administrative efficiency
 - enhanced competition
 - elimination of gaming the system

New Rules

- New rules need to be clear, definitive, and establish default standards
- Contrast between current FCC rules – one that has been subject to numerous interpretations and another that has not:
 - 47 C.F.R. § 51.711(a)(3)
 - 47 C.F.R. § 51.305(a)(2) & (e)

Class A carriers, as defined by § 32.11(a)(1) of this chapter, shall be filed by the parties with the appropriate state commission no later than June 30, 1997, or such earlier date as the state commission may require.

(c) If a state commission approves a preexisting agreement, it shall be made available to other parties in accordance with section 252(i) of the Act and § 51.809 of this part. A state commission may reject a preexisting agreement on the grounds that it is inconsistent with the public interest, or for other reason? set forth in section 252(e)(2)(A) of the Act.

§ 51.305 Interconnection.

(a) An incumbent LEC shall provide, for the facilities and equipment, of any requesting telecommunications carrier, interconnection with the incumbent LEC's network:

(1) For the transmission and routing of telephone exchange traffic, exchange access traffic, or both;

(2) At any technically feasible point within the incumbent LEC's network including, at a minimum:

(i) The line-side of a local switch;
(ii) The trunk-side of a local switch;
(iii) The trunk interconnection points for a tandem switch;

(iv) Central office cross-connect points;

(v) Out-of-band signaling transfer points necessary to exchange traffic at these points and access call-related databases; and

(vi) The points of access to unbundled network elements as described in 151.319;

(3) That is at a level of quality that is equal to that which the incumbent LEC provides itself, a subsidiary, an affiliate, or any other party, except as provided in paragraph (4) of this section. At a minimum, this requires an incumbent LEC to design interconnection facilities to meet the same technical criteria and service standards that are used within the incumbent LEC's network. This obligation is not limited to a consideration of service quality as perceived by end users, and includes, but is not limited to, service quality as perceived by the requesting telecommunications carrier:

(4) That, if so requested by a telecommunications carrier and to the extent technically feasible, is superior in quality to that provided by the incumbent LEC to itself or to any subsidiary, affiliate, or any other party to which the incumbent LEC provides interconnection. Nothing in this section prohibits an incumbent LEC from providing interconnection that is lesser in quality at the sole request of the requesting telecommunications carrier; and

(5) On terms and conditions that are just, reasonable, and nondiscriminatory in accordance with the terms and conditions of any agreement, the requirements of sections 251 and 252 of the Act, and the Commission's rules including, but not limited to, offering such terms and conditions equally to all requesting telecommunications carriers, and offering such terms and conditions that are no less favorable than the terms and conditions upon which the incumbent LEC provides such interconnection to itself. This includes, but is not limited to, the time within which the incumbent LEC provides such interconnection.

(b) A carrier that requests interconnection solely for the purpose of originating or terminating its interexchange traffic on an incumbent LEC's network and not for the purpose of providing to others telephone exchange service, exchange access service, or both, is not entitled to receive interconnection pursuant to section 251(c)(2) of the Act.

(c) Previous successful interconnection at a particular point in a network, using particular facilities, constitutes substantial evidence that interconnection is technically feasible at that point, or at substantially similar points, in networks employing substantially similar facilities. Adherence to the same interface or protocol standards shall constitute evidence of the substantial similarity of network facilities.

(d) Previous successful interconnection at a particular point in a network at a particular level of quality constitutes substantial evidence that interconnection is technically feasible at that point, or at substantially similar points, at that level of quality.

(e) An incumbent LEC that denies a request for interconnection at a particular point must prove to the state commission that interconnection at that point is not technically feasible.

(f) If technically feasible, an incumbent LEC shall provide two-way trunking upon request.

(g) An incumbent LEC shall provide to a requesting telecommunications carrier technical information about the incumbent LEC's network facilities sufficient to allow the requesting carrier to achieve interconnection consistent with the requirements of this section.

[61 FR 45619, Aug. 29, 1996, as amended at 61 FR 41351, Sept. 6, 1996]

§ 51.307 Duty to provide access on an unbundled basis to network elements.

(a) An incumbent LEC shall provide to a requesting telecommunications carrier for the provision of a telecommunications service, nondiscriminatory access to network elements on an unbundled basis at any technically feasible point on terms and conditions that are just, reasonable, and non-discriminatory in accordance with the terms and conditions of any agreement, the requirements of sections 251 and 252 of the Act, and the Commission's rule:

(b) The duty to provide access to unbundled network elements pursuant to section 251(c)(3) of the Act include: a duty to provide a connection to an unbundled network element independent of any duty to provide interconnection pursuant to this part and section 251(c)(2) of the Act.

(c) An incumbent LEC shall provide a requesting telecommunications carrier access to an unbundled network element, along with all of the unbundled network element's features, function, and capabilities, in a manner that allow the requesting telecommunications carrier to provide any telecommunications service that can be offered by means of that network element.

(d) An incumbent LEC shall provide a requesting telecommunications carrier access to the facility or functionality of a requested network element separate from access to the facility or

functionality of other network elements, for a separate charge.

(e) An incumbent LEC shall provide to a requesting telecommunications carrier technical information about the incumbent LEC's network facilities sufficient to allow the requesting carrier to achieve access to unbundled network elements consistent with the requirements of this section.

[61 FR 45619, Aug. 29, 1996, as amended at 61 FR 47351, Sept. 6, 1996]

§ 51.309 Use of unbundled network elements.

(a) An incumbent LEC shall not impose limitations, restrictions, or requirements on requests for, or the use of, unbundled network elements that would impair the ability of a requesting telecommunications carrier to offer a telecommunications service in the manner the requesting telecommunications carrier intends.

(b) A telecommunications carrier purchasing access to an unbundled network element may use such network element to provide exchange access services to itself in order to provide interexchange services to subscribers.

(c) A telecommunications carrier purchasing access to an unbundled network facility is entitled to exclusive use of that facility for a period of time or when purchasing access to a feature, function, or capability of a facility, a telecommunications carrier is entitled to use of that feature, function, or capability for a period of time. A telecommunications carrier's purchase of access to an unbundled network element does not relieve the incumbent LEC of the duty to maintain, repair, or replace the unbundled network element.

§ 51.311 Nondiscriminatory access to unbundled network elements.

(a) The quality of an unbundled network element, as well as the quality of the access to the unbundled network element, that an incumbent LEC provides to a requesting telecommunications carrier shall be the same for all telecommunications carriers requesting access to that network element, except as provided in paragraph (c) of this section.

(b) The rate of a carrier providing transmission facilities dedicated to the transmission of traffic between two carriers' networks shall recover only the costs of the proportion of that trunk capacity used by an interconnecting carrier to send traffic that will terminate on the providing carrier's network. Such proportions may be measured during peak periods.

§ 51.511 Symmetrical reciprocal compensation.

(a) Rates for transport and termination of telecommunications traffic shall be symmetrical, except as provided in paragraphs (b) and (c) of this section.

(1) For purposes of this subpart, symmetrical rates are rates that a carrier other than an incumbent LEC assesses upon an incumbent LEC for transport and termination of telecommunications traffic equal to those that the incumbent LEC assesses upon the other carrier for the same services.

(2) In cases where both parties are incumbent LECs, or neither party is an incumbent LEC, a state commission shall establish the symmetrical rates for transport and termination based on the larger carrier's forward-looking costs.

(3) Where the switch of a carrier other than an incumbent LEC serves a geographic area comparable to the area served by the incumbent LEC's tandem switch, the appropriate rate for the carrier other than an incumbent LEC is the incumbent LEC's tandem interconnection rate.

(b) A state commission may establish asymmetrical rates for transport and termination of telecommunications traffic only if the carrier other than the incumbent LEC (or the smaller of two incumbent LECs) proves to the state commission on the basis of a cost study using the forward-looking economic cost based pricing methodology described in §§ 51.505 and 51.511, that the forward-looking costs for a network efficiently configured and operated by the carrier other than the incumbent LEC (or the smaller of two incumbent LECs), exceed the costs incurred by the incumbent LEC (or the larger incumbent LEC), and, consequently, that such that a higher rate is justified.

(c) Pending further proceedings before the Commission, a state commission shall establish the rates that licensees in the Paging and Radiotelephone Service (defined in part 22, subpart E of this chapter), Narrowband Personal Communications Services (defined in part 24, subpart D of this chapter), and Paging Operations in the Private Land Mobile Radio Services (defined in part 90, subpart P of this chapter) may assess upon other carriers for the transport and termination of telecommunications traffic based on the forward-looking costs that such licensees incur in providing such services, pursuant to 8851.505 and 51.511. Such licensees' rates shall not be set based on the default proxies described in § 51.707.

651.713 Bill-and-keep arrangements for reciprocal compensation.

(a) For purposes of this subpart, bill-and-keep arrangements are those in which neither of the two interconnecting carriers charges the other for the termination of telecommunications traffic that originates on the other carrier's network.

(b) A state commission may impose bill-and-keep arrangements if the state commission determines that the amount of telecommunications traffic from one network to the other is roughly balanced with the amount of telecommunications traffic flowing in the opposite direction, and is expected to remain so, and no showing has been made pursuant to § 51.711(b).

(c) Nothing in this Section precludes a state commission from presuming that the amount of telecommunications traffic from one network to the other is roughly balanced with the amount of telecommunications traffic flowing in the opposite direction and is expected to remain so, unless a party rebuts such a presumption.

651.716 Interim transport and termination pricing.

(a) Upon request from a telecommunications carrier without an existing interconnection arrangement with an incumbent LEC, the incumbent LEC shall provide transport and termination of telecommunications traffic

immediately upon request, pending resolution or arbitration and termination rates by a state commission sections 251 and 252.

(1) This requires that the requesting interconnecting carrier that provides for termination of telecommunications traffic by the incumbent LEC.

(2) A telecommunications carrier may take advantage of an arrangement only if it has requested negotiation with the incumbent LEC pursuant to § 51.707(b)(2).

(b) Upon receipt of a request, the incumbent LEC shall, within a reasonable delay, provide an arrangement for termination of telecommunications traffic at symmetrical rates.

(1) In a state in which a state commission has established termination rates, the incumbent LEC shall use the established rates and termination rates. (2) In a state in which a state commission has established termination rates, the default price range described in § 51.707 shall use these as interim rates.

(3) In a state in which a state commission has neither established forward-looking nor established termination rates, the default price range for an incumbent LEC for transport and termination of telecommunications traffic shall be 0.4 cents per minute for switching (0.15 cents per minute for use), and transport and termination rates shall be \$51.707(b)(2).

(c) An interim arrangement shall cease to be in effect if the following occurs: (1) for transport and termination of telecommunications traffic, an interim arrangement

Bill-and-Keep

- Commission should not adopt bill-and-keep without answering the question, “Bill-and-keep for what?”
- The FCC should reject COBAK and BASICs, and instead adopt SYBAK.
- Commission should adopt bill-and-keep for traffic and SS7 signaling.

SYBAK

- Symmetrical Bill-and-Keep (“SYBAK”) is a joint VZ-VZW proposal.
- SYBAK establishes the LEC tandem as a default point of interconnection (“POI”).
- Today transport responsibilities are asymmetrical because LEC has obligation to the MSC, but CMRS can have obligation to the LEC end office.

Verizon/Verizon Wireless SYBAK Proposal

